(d) if so, the facts and details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) The Life Insurance Corporation of India (L1C) have informed that letters have been sent to a few agents for discontinuation of the Club Membership due to the non-fulfilment by them of the norms laid down for Club Membership.

(c) and (d) Do not arise in view of what has been stated above by the LIC.

Functioning of Bank of India, Zonal Office eastern region, Calcutta

2282. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether Bank of India, Zonal Office, Eastern Region, Calcutta has taken a decision to compensate the losses suffered by a few of its constitutents/account holders whose accounts were frozen by the banks branches for one reason or the other,

(b) whether Bank has received various representations for expeditious decision; and

(c) if so, the facts and details thereof?

THE MINISTER OF STATE IN THE MTNISTRY OF FINANCE (SHRI M.V. CHANDRASHEKAR MURTHY): (a) to (c) The information is being collected and will be laid on the Table of the House.

Guidelines Issued by Reserve Bank of India (RBI)

2283. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has issued gudelines to certain banks including the Bank of India to pay interest at the rate of 5 per cent to. Various Current Deposit Account holders of the Bank;

(b) whether the Indian Banks Association has also issued similar guidelines; and

(c) if so, the facts and details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (c) No, Sir. Under the extant directives, commercial banks are prohibited from paying interest on current accounts, excepting those maintained by Regional Rural Banks (RRBs) and deceased individual depositors. In the case of current accounts of RRBs with Indian Scheduled Commercial Banks, interest is payable at the rate of 7.5 per cent per annum w.e.f. 1.4.1993. In the case of current accounts of deceased individual deppstitors, the interest is payable at the rate of interest operative in respect of saving deposts applicable on the date of payment which is at present 4.5 per cent per annum.

Increase in call money rates

2284. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) whether the factor responsible -for the sharp increase in call money rates in recent weeks have been identified;

(b) the measures, if any, Government have in mind to bring down these rates to reasonable levels; and

(c) whether Government would indicate a ceiling above which the call money rate will not be permitted to rise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) In the recent period there has been a distinct slow down in the growth of primary liquidity because of a number of factors such as slower growth of the foreign exchange reserves, low utilisation of adhoc Treasury Bills by Government, larger receipts by Government under tax proceeds and sale of public sector equity. Some banks have developed chronic dependance on the call market and have developed asset liability maturity mismatches. The sharp increase in non-food bank credit of scheduled commercial banks also